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**MANHATTAN TAX PREPARER SENTENCED TO 21 MONTHS IN PRISON  
AND ORDERED TO PAY \$399,797 FOR FILING FALSE TAX RETURNS**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that JENNIFER COLON, a Manhattan tax preparer, was sentenced late yesterday to 21 months in prison for aiding and assisting in the filing of hundreds of false tax returns and making false claims to the IRS by United States District Judge JED S. RAKOFF in Manhattan federal court.

According to the Indictment, COLON operated tax preparation businesses in Manhattan under the names Loiza Imani, Inc.; Enterprise Tax Services; and, although she was not a licensed certified public accountant, Jennifer Colon, C.P.A. Through her businesses, COLON prepared hundreds of U.S. Individual Income Tax Returns, Forms 1040 and 1040x, for her clients for the tax years 1995 through 2002. According to the Indictment, when preparing income tax returns, COLON generally did not rely exclusively on the expense and deduction information

provided by the clients. Instead, COLON falsely inflated and fabricated the clients' personal expenses and deductions for such items as medical expenses and charitable contributions, thereby creating thousands of dollars of wholly fictitious expenses and deductions, which served to lower her clients' ultimate tax liabilities. COLON included these inflated and fictitious personal expenses and deductions on schedules attached to the clients' individual tax returns.

According to the Indictment, COLON prepared these falsified individual returns and provided them to clients for signing and filing. Between 1996 and 2002, according to the Indictment, COLON created and placed several hundred thousand dollars of falsely inflated and wholly fictitious expenses on her clients' income tax returns. By doing so, COLON enabled clients to receive, collectively, hundreds of thousands of dollars in income tax refunds to which they were not lawfully entitled.

In addition, the Indictment charges that COLON prepared and submitted for herself false income tax returns that contained inflated and fictitious expenses, such as gifts to charity and medical, job and miscellaneous expenses. For tax years 1997 and 1998 alone, according to the Indictment, COLON claimed refund amounts of \$43,300 and \$60,412, respectively, to which she was not lawfully entitled.

Judge RAKOFF also ordered COLON to pay \$399,767 in restitution to the IRS and ordered her to surrender on May 24, 2005.

COLON, 44, resides in Stroudsburg, Pennsylvania, according to court records.

Mr. KELLEY praised the efforts of the IRS, Criminal Investigation, in this case.

Assistant United States Attorney BRET R. WILLIAMS is in charge of the prosecution.

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